

# PRESS RELEASE

## **Statement by the Board of Directors of Dignitana regarding the public offer from Paxman**

**The Board of Directors unanimously recommends the shareholders to accept the offer.**

This statement is made by the Board of Directors of Dignitana AB (“**Dignitana**” or the “**Company**”) pursuant to Rule II.19 of the Stock Market Self-Regulation Committee’s takeover rules for certain trading platforms (the “**Takeover Rules**”).

### **The Offer**

Today, 18 March 2025, Paxman AB (publ) (“**Paxman**” or the “**Offeror**”) announced a public offer to the shareholders of Dignitana to transfer all shares in Dignitana to Paxman in exchange for consideration in the form of approximately 0.0308<sup>1</sup> newly issued shares in Paxman per share in Dignitana (the “**Offer**”). The total value of the Offer corresponds to the equivalent of approximately SEK 153 million<sup>2</sup>, which corresponds to SEK 1.90 per share in Dignitana.

The shares in Paxman are, like the shares in Dignitana, admitted to trading on Nasdaq First North Growth Market and the value of the consideration in the Offer, in the form of newly issued shares in Paxman, is based on the closing price of Paxman’s share of SEK 61.80 on 17 March 2025, which was the last trading day prior to the announcement of the Offer. The Offer represents a premium of approximately:

- 81.0 percent compared to the closing price of SEK 1.05 per Dignitana share on Nasdaq First North Growth Market on 17 March 2025, which was the last trading day prior to the announcement of the Offer;
- 63.8 percent compared to the volume-weighted average price of SEK 1.16 per Dignitana share on Nasdaq First North Growth Market during the last 30 trading days up to and including 17 March 2025; and
- 68.1 percent compared to the volume-weighted average price of SEK 1.13 per Dignitana share on Nasdaq First North Growth Market during the last 90 trading days up to and including 17 March 2025.

The acceptance period for the Offer is expected to commence on or around 14 April 2025 and expire on or around 5 May 2025, subject to any extensions. For further information regarding the Offer, including terms and other details, please see [www.paxman.se](http://www.paxman.se).

Completion of the Offer is conditional upon customary conditions including, amongst other things, that the Offer is accepted to such an extent that Paxman becomes the owner of shares corresponding to more than 90 percent of all outstanding shares in Dignitana, that the Extraordinary General Meeting in Paxman with the required majority resolves to authorize the Board of Directors to issue new shares in Paxman through an issue in kind to the shareholders of Dignitana who accept the Offer and makes other necessary resolutions to implement the Offer, and that all necessary clearances, approvals, resolutions and other measures are obtained on terms acceptable to Paxman, including approval from the Inspectorate of Strategic Products and the corresponding authorities in the United Kingdom and Italy. The Offeror has reserved the right to waive, in whole or in part, these and other conditions for completion of the Offer. Please refer to the Offeror’s press release regarding the Offer for further information.

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<sup>1</sup> Including all decimals: 0.0307443365695793.

<sup>2</sup> Based on all 80,541,891 shares in Dignitana.

Provided that the Offer is fully accepted and that all shareholders in Paxman and Dignitana will have the same holdings at the time of this statement as at the completion of the Offer, immediately following the Offer, the shareholders of Dignitana will own approximately 11.5 percent of the votes and capital of the New Group<sup>3</sup> (as defined below) through the issuance of up to 2,476,207 new shares in Paxman to the shareholders of Dignitana. The remaining approximately 88.5 percent will be controlled by the existing shareholders of Paxman.

### **The process undertaken by the Board of Directors to evaluate the Offer**

Through the Offer, provided that it is accepted by shareholders in Dignitana to the extent that Paxman becomes the owner of more than 90 percent of the shares and thus can carry out a compulsory acquisition of the remaining shares, Dignitana will become a wholly-owned subsidiary of Paxman. This will form a new group (the “**New Group**”). Since the consideration in the Offer consists of newly issued shares in Paxman, the Offer means that the shareholders in Dignitana are offered to become shareholders, together with the existing shareholders of Paxman, in the New Group. A central assessment criterion for the Board of Directors has therefore been the estimated future development of the New Group, taking into account the risk relative to Dignitana’s own expected development. This is to assess the difference between what Dignitana’s shareholders can expect as shareholders in Dignitana, versus what Dignitana’s shareholders can be expected to receive as shareholders in the New Group upon acceptance of the Offer. In evaluating the Offer, the Board of Directors has also considered a number of other factors which are considered relevant. These factors include, but are not limited to, prevailing market conditions, Dignitana’s current strategic and financial position, the expected development of Dignitana both on a stand-alone basis and as part of the New Group and related opportunities and risks.

The Board of Directors has considered valuation methods normally used to evaluate public takeover offers for listed companies, including how the Offer values Dignitana in relation to comparable listed companies and comparable transactions, bid premiums in previous public takeover offers for listed companies, stock market expectations regarding the Company and the Board of Director’s view of the Company’s value based on its expected future cash flows. Given that the consideration in the Offer consists of new shares in Paxman, the Board of Directors has also evaluated Paxman based on similar valuation methods as for Dignitana.

The Board of Directors notes that Dignitana indeed has good opportunities for positive development and value growth as an independent company, but at the same time emphasizes that the future is associated with uncertainty and the Company’s expected capital needs. In addition, Dignitana and Paxman have for many years operated as market leaders within the field of side effect management, specifically scalp cooling. In the opinion of the Board of Directors, the combination of the Offeror and Dignitana is therefore likely to enable a significant strengthening of the Company’s market position and realize not least financial synergies, such as increased revenues and reduced costs through rationalization as well as economies of scale, which will at least partly benefit Dignitana’s current shareholders through the Offer. In addition, a merger would facilitate the financing of future development projects and allow market activities to develop in a way that would not be possible on a stand-alone basis. Dignitana will, with the Offeror as a new strategic owner, be able to realize the benefits of being part of a larger business and having better access to necessary capital. The Offer highlights the shared commitment of the Offeror and Dignitana to improve and develop scalp cooling technologies, which is expected to ultimately result in customer and patient benefits. Overall, the Board of Directors believes that the combination offers exciting potential growth opportunities and improved profit margins that will enable further investment in market expansion as well as research and development, ultimately resulting in improved shareholder value. In addition, both companies have similar business models and share a common vision of helping patients manage the negative effects of cancer treatment by providing clinical scalp cooling and other beneficial products that are both accessible and affordable.

The Board of Directors notes that the Offer represents a premium of approximately 81.0 percent compared to the closing price of SEK 1.05 of the Dignitana share on Nasdaq First North Growth Market on 17 March 2025 (which was the last trading day prior to the announcement of the Offer), and a premium of approximately 63.8

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<sup>3</sup> Based on 21,488,707 shares in Paxman after completion of the Offer as of the date of announcement of the Offer.

and 68.1 percent, respectively, compared to the volume-weighted average price of the Dignitana share during the last 30 and 90 trading days, respectively, preceding the announcement of the Offer.

The Board of Directors has, as part of its process to evaluate the Offer and in line with its duties to act in the best interest of the shareholders, implemented a process including discussions with other prospective offerors to evaluate the possibility for a superior offer.

The Board of Directors has also considered that Dignitana's largest shareholder Agartha AB, who owns approximately 29.8 percent of the shares and votes in Dignitana, has undertaken to accept the Offer, subject to certain conditions. The Board of Directors notes that the undertaking by Agartha AB to accept the Offer is conditional upon, *inter alia*, that the price of the Paxman share does not decline by 10 percent or more during the period from the announcement of the Offer until the expiry of the acceptance period in the Offer. Please refer to the announcement of the Offer for more information about the acceptance undertaking.

Upon written request, the Offeror has been permitted to carry out a customary limited confirmatory due diligence review of Dignitana in connection with the preparations for the Offer. No inside information has been provided to the Offeror in connection with the review.

The Board of Directors has engaged Stockholm Corporate Finance as financial advisor and Vinge as legal advisor in connection with the Offer.

### **The Board of Directors' recommendation**

When the Board of Directors values the overall potential and current situation, and compares it with the consideration in the Offer, the Board of Directors concludes that the shareholders through the Offer will be adequately compensated for the Company's potential and prospects. This also takes into account the time it takes to develop, finance and commercialize the Company's business plan, and the various risks of not being able to fully implement these steps.

***Against this background, the Board of Directors unanimously recommends the shareholders of Dignitana to accept the Offer.***

Under the Takeover Rules, the Board of Directors is required, on the basis of the Offeror's statements in the announcement of the Offer, to present its opinion on the effects that the implementation of the Offer may have on Dignitana, especially employment, and its view on the Offeror's strategic plans for the Company and the impact these could be expected to have on employment and on the locations where Dignitana conducts its business. In its press release announcing the Offer, the Offeror states:

"As of 31 December 2024, Paxman had 105 employees, principally in the UK and the US, and Dignitana had 26 employees, principally in Sweden and the US. Paxman will conduct a thorough review of both companies to capitalize on the synergies and economies of scale that a merger is expected to bring. Changes resulting from the Offer that pertain to Dignitana's employees or regarding employment and operations at the locations where Paxman and Dignitana conduct their business will need to be examined more closely. Any measures to be implemented in connection with the integration will be determined following the completion of a detailed review of the combined business in the period following completion of the Offer."

The Board of Directors assumes that the above statement by the Offeror is correct and has no reason to take a different view.

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This statement by the Board of Directors of Dignitana shall be governed by and construed in accordance with substantive Swedish law. Disputes arising from this statement shall be settled exclusively by Swedish courts.

Lund, 18 March 2025

**Dignitana AB**

*The Board of Directors*

### **For More Information, Please Contact**

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## **MAR**

This disclosure contains information that Dignitana AB is obliged to make public pursuant to the EU Market Abuse Regulation (EU nr 596/2014). The information was submitted for publication, through the agency of the contact person, on 18 March 2025 at 08:02 CET.

### **About Dignitana**

Dignitana AB is a Swedish medical technology company specializing in scalp cooling. The company produces The DigniCap® Scalp Cooling System, a patented medical cooling device that offers cancer patients the ability to minimize hair loss during chemotherapy. FDA cleared since 2015, DigniCap provides continuous cooling with high efficacy, safety and patient comfort. Hailed internationally as a life-changing medical advancement for cancer patients, The DigniCap Scalp Cooling System was invented in 1999 by a Swedish Oncology nurse and has been available in Europe since 2001. Dignitana AB is listed on Nasdaq First North Growth Market in Sweden with headquarters in Lund, Sweden and US operations based in Dallas, Texas in the United States. Company subsidiaries are Dignitana, Inc. in the United States and Dignitana S.r.l. in Italy. Certified Adviser is Redeye AB. Learn more at [www.dignitana.com](http://www.dignitana.com) or [www.dignicap.com](http://www.dignicap.com).